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SIPDIS

STATE FOR INL, EUR/SE  
JUSTICE FOR OIA, AFMLS, AND NDDS  
TREASURY FOR FINCEN

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SUBJECT: TURKEY: 2002 INTERNATIONAL NARCOTICS CONTROL  
STRATEGY REPORT (INSCR)

REF: A) STATE 240015 B) STATE 240035

Following is the draft 2002 INSCR report for Turkey. Post  
will transmit any changes to addressees per reftels.

## I. Summary:

Turkey is a major transit route for Southwest Asian opiates moving to Europe, and serves as a base of operations for major narcotics traffickers and brokers. Turkish law enforcement organizations continue to focus their efforts on stemming the traffic of drugs and intercepting precursor chemicals. Turkish forces cooperate closely with European and U.S. agencies to combat trafficking. While most of the heroin trafficked via Turkey is marketed in Western European countries, an increasing amount of heroin and opium also is smuggled from Turkey to the U.S. There is no appreciable cultivation of illicit narcotics in Turkey other than marijuana grown primarily for domestic consumption. We are unaware of any diversion from Turkey's licit opium poppy cultivation and pharmaceutical morphine production program.

Turkey signed the UN Drug Convention in 1988 and formally ratified the agreement in 1996. Turkey is an active member of the Financial Action Task Force (FATF). The U.S. terminated its USD 500,000 annual assistance program with Turkey at the end of FY 1999, due to Turkey's refusal to accept human rights language (related to the Leahy Amendment) in the bilateral letter of agreement. End summary.

## II. Status of the Country:

Turkey is a major transshipment and opium conversion point for heroin. Turkey also serves as a base of operations for international narcotics traffickers and associates who control the smuggling and trafficking of opium, morphine base, heroin, precursor chemicals and other drugs. The majority of these opiates originate in Afghanistan, and are ultimately shipped to Western Europe. A smaller but still significant amount of heroin is trafficked to the U.S. via Turkey, as well as indirectly through Europe.

Turkish law enforcement and anti-narcotics forces are strongly committed to disrupting narcotics trafficking. Turkish counter-narcotic forces continue to increase the sophistication of their operations, including their ability to conduct controlled deliveries domestically and internationally. The Turkish National Police remains Turkey's most sophisticated counter-narcotics force, while the Jandarma and Customs continue to increase their efficacy.

Turkish authorities continue to seize large amounts of heroin and precursor chemicals, such as acetic anhydride. It is estimated that multi-ton amounts of heroin are processed in or smuggled through Turkey each month.

Turkey is one of the two traditional opium-growing countries as recognized by the U.S. Government and the International Narcotics Control Board (INCB). There is no appreciable illicit drug cultivation in Turkey other than marijuana grown primarily for domestic consumption. The Turkish Government maintains strict control over its licit poppy program, which provides opiates for the international pharmaceutical market.

### III. Country Actions against Drugs:

(a) Policy Initiatives: The Turkish Government devotes significant financial and human resources to Turkish law enforcement organizations to support counter-narcotics activities. In February 2002, DEA and the Turkish National Police hosted the Southwest Asia Heroin Strategy Conference in Ankara. This meeting led to the development of Operation Containment, a regional program aimed at reducing the flow of Afghan heroin to Western Europe. The DEA and Turkish National Police then hosted a follow-up meeting in Ankara in May 2002. Turkey is playing a key role in Operation Containment as well as in other regional efforts, assisting with multi-nation controlled deliveries and providing significant logistical support.

In 2002, the government dissolved the Drug Monitoring and Guidance Board and transferred its responsibilities to the Turkish International Academy against Drugs and Organized Crime (TADOC). TADOC did not announce any new policy initiatives in this area in 2002.

(b) Accomplishments: The Turkish International Academy against Drugs and Organized Crime (TADOC), which was established under the initiative of the UN and the Turkish National Police in 2000, trained 1,563 participants in 2002, 196 of them being international law enforcement officers. International participants were from countries of the Economic Cooperation Organization, Black Sea Economic Cooperation and the Balkans. The training program led to enhanced cooperation and information sharing in law enforcement among the participant countries.

The Financial Crimes Investigation Board (FCIB/MASAK) issued two communiques in 2002. The first communique, dated Feb 2002, requires banks and financial institutions to report suspicious transactions, pursuant to the recommendation of the Financial Action Task Force. This communique is an important step for pursuing both money laundering and terrorist financing cases. The second communique calls on banks and private financial institutions to appoint a liaison officer as a point of contact for FCIB in order to better track suspicious financial transactions. The FCIB also completed the "Financial Intelligence Database Project" in 2002, a database that is expected to increase FCIB's efficiency.

(c) Law Enforcement Efforts: During 2002, Turkish law enforcement agencies, including the Turkish National Police, the Jandarma, Customs and the Coast Guard, conducted successful operations and seized over xx tons of heroin, xx tons of hashish, and xx million pills (figures to be updated 1/31/03). In March 2002, Turkish authorities seized 7,454 kilos of morphine base as a result of a DEA-Jandarma joint investigation. This was the largest seizure of morphine base ever in Turkey. Authorities made xx drug-related arrests in 2002.

(d) Corruption: The Anti-Corruption Supervisory Committee, which was established in 2001, submitted an "Action Plan on Increased Transparency and Efficient Administration in Turkey" to the Council of Ministers in 2001. The Council of Ministers approved the action plan in January 2002 and established a monitoring commission comprised of the related ministers.

The new government, which was elected in November 2002, committed in its "action plan" to secure parliamentary approval of the European Council's Criminal Law on Corruption and the Civil Law on Corruption, and to participate in the Group of Countries Against Corruption (GRECO).

(e) Agreements and Treaties: Turkey ratified the 1988 UN Drug Convention in 1996 and has been a member of the Financial Action Task Force since 1991. The government signed the UN Convention on the Suppression of Terrorist Financing in Sep 2001, and the Turkish parliament ratified the convention in April 2002.

(f) Cultivation/Production: Illicit drug cultivation, primarily marijuana, is minor and has no impact on the United States. Licit opium poppy cultivation is strictly controlled by the Turkish Grain Board (TMO), with no apparent diversion into illicit channels. Farmers receive a higher return from

the sale of poppy seeds as a food product than the sale of the low alkaloid poppy straw.

(g) Drug Flow/Transit: Turkey remains a major route, as well as a storage, production and staging area, for the flow of heroin to Europe. Turkish-based traffickers and brokers operate directly and in conjunction with narcotic smugglers, laboratory operators, and money launderers in and outside Turkey. They finance and control the smuggling of opiates (whether in the form of opium, morphine base or heroin) to and from Turkey.

Afghanistan is the original source of most of the opiates reaching Turkey. Morphine and heroin base are smuggled by overland vehicles from Pakistan via Iran to Turkey. Multi-ton quantities of opiates and hashish have been smuggled by sea from Pakistan to points in Turkey along the Mediterranean, Aegean, and/or Marmara seas. Opiates and hashish also are smuggled to Turkey overland from Afghanistan via Turkmenistan, Azerbaijan, and Georgia. Traffickers in Turkey illegally acquire the precursor chemical acetic anhydride, which is used in the production of heroin, from sources in Western Europe, the Balkans and Russia. From July 1, 1999, to December 31, 2002, over 94 metric tons of acetic anhydride was seized in or destined for Turkey.

Turkish-based traffickers control and operate the illicit laboratories refining morphine base into heroin at various locations in Turkey. Some of them reportedly have interests in heroin laboratories operating near the Iranian-Turkish border in Iran. The ready availability of opiates originating from Afghanistan and precursor chemicals from other countries enables major traffickers in Turkey to continue to operate illicit laboratories converting morphine base into heroin. These heroin laboratories enable Turkish-based traffickers to control much of the heroin marketed to Western Europe.

(h) Demand Reduction: While drug abuse remains low in Turkey compared to other countries, the number of addicts reportedly has increased in recent years. Although the Turkish Government appears to be increasingly aware of the need to combat drug abuse, the agencies responsible for drug awareness and treatment remain under-funded. There are a total of five Alcohol and Substance Abuse Treatment Clinics (AMATEM) in Turkey, which serve as regional drug treatment centers. Due to lack of funds, only one of the centers focuses on drug prevention as well as treatment. The Health Ministry has not conducted a drug abuse survey since 1995 due to lack of resources.

#### IV. U.S. Policies, Initiatives and Programs:

(a) U.S. Policy Initiatives and Programs: U.S. policy remains to strengthen Turkey's ability to combat narcotics trafficking, money laundering and financial crimes. Through fiscal year 1999, the U.S. Government extended USD 500,000 annually in assistance to provide: commodity and training assistance to the Turkish National Police and Jandarma; training and equipment to Turkish Customs to improve border interdiction; commodity and training to the Turkish Grain Board and training to the Turkish Financial Crimes Investigation Board.

(b) Bilateral Cooperation: U.S. counter-narcotics agencies report that their counterparts have continued excellent cooperation with U.S. officials. Turkish counter-narcotics forces have developed technically, becoming increasingly professional, in part based on the training and equipment they received from the U.S. and other international law enforcement agencies.

On February 7, 2002, DEA presented the Turkish National Police and the Turkish Government with an asset sharing check for USD 264,846. This money was part of more than USD 2 million seized by DEA in the course of a long-term, multinational criminal investigation that culminated in 1995 with coordinated arrests in the U.S., Turkey, Holland, and Germany. Turkish government cooperation was key to this case; the Turkish National Police contributed critical evidence without which many convictions would not have been possible.

(c) Road Ahead: With the election of a new government in

November 2002, many of the key government officials responsible for counter-narcotics and money-laundering may be replaced. The U.S. Mission in Turkey intends to engage these officials, and work with the new government to help combat drug trafficking, money laundering, and corruption. Should the economic recession in Turkey continue, financial resources available to law enforcement agencies may be limited.

#### V. Statistical Tables (to be completed 1/31/03):

	2002	2001	2000
Opium (licit)			
- Cultivation	117,650	80,791	110,020
- Eradication	N/A	N/A	N/A
- Harvestable	50,741	45,836	27,555

#### Drug Seizures

- Cocaine (kg)	1.6	8.4	
- Opium (kg)	262.6	362.9	
- Hashish (tons)	10.1	29.1	
- Heroin (tons)	5.1	6.1	
- Morphine Base (tons)		0.78	2.4
- Acetic Anhydrite (tns)			60.9
- Captagon/other synthetic drugs	1,712,616	1,173,228	22.6
- Illicit Labs	N/A	N/A	
- Domestic Cons.	N/A	N/A	
- Users treated	N/A	N/A	
- Arrests	8,965	6,131	

#### VI. Money Laundering:

(a) General: Turkey is not an offshore financial center and does not have secrecy laws that prevent disclosure of client and ownership information to bank supervisors and law enforcement officials. Turkey is an important regional financial center, particularly for Central Asia and the Caucasus, as well as for the Middle East and Eastern Europe. Since the financial crisis of 2000, the Turkish Government has taken over 19 of Turkey's 81 banks, and has significantly tightened oversight of the banking system through an independent regulatory authority.

The government has increased its focus on money laundering, but has had difficulty obtaining convictions. Since being established in 1997, the Financial Crimes Investigative Board (FCIB) has pursued more than 500 money laundering cases. Of those, 59 cases have been prosecuted, with only one case resulting in a conviction. Most of the cases involve non-narcotic criminal actions or tax evasion; roughly 30 percent are narcotics related.

It is believed that Turkish-based traffickers collect and transfer money to pay narcotic suppliers in Pakistan and Afghanistan, primarily by using money exchanges in Istanbul. The exchanges in turn wire transfer the funds through Turkish banks to accounts in Dubai and other locations in the United Arab Emirates. The money is then paid, often through the underground banking system, to narcotics suppliers in Pakistan and Afghanistan.

The Turkish Government broadened the definition of money laundering in 2001, through adopting three conventions of the Council of Europe: the Strasbourg Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime; the Criminal Law on Corruption; and the Civil Law on Corruption. By becoming a party to these conventions, the Turkish Government agreed to include proceeds of all serious crimes in the definition of money laundering, and to specify corruption as a predicate offense for money laundering.

The Turkish Government signed the UN Convention against Transnational Organized Crime in 2001 and has submitted a draft proposal to the UN to become a party to the UN

Convention against Corruption. Turkey signed the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions in 2000.

Turkey cooperates closely with the U.S. and its neighbors to support the development of a regional anti-crime center in the Balkans under the Southeast Europe Cooperation Initiative (SECI). Turkey and the U.S. have a MLAT and cooperate closely on narcotics investigations and proceedings. Turkey and the U.S. have worked closely on money laundering related investigations.

There is no significant black market in Turkey, but tax evasion is a problem for the Turkish economy. The GOT began a joint study with the IRC in 2001 to improve its tax collection. Turkey has established systems for identifying, tracing, freezing, seizing and forfeiting narcotics-related assets. Turkey's laws allow for only criminal forfeiture.

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